

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 L-03 EB-07 COME-00 H-02 AID-05 CIAE-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 /062 R

DRAFTED BY NEA/RA:DTMORRISON:L/NEA:BKHUFFMAN:EO:DSC

APPROVED BY NEA/ARP:FDICKMAN

COMM/GC:KKNOWLES

EB/CSB/OSB:JNESVIG

COM;JHEARN

COMM;CSWANSON

----- 125868

R 090955Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 085841

E.O. 11652: GDS

TAGS:ETRD, PFOR

SUBJECT: COMMERCIAL DISCRIMINATION BASED ON JEWISH
RELIGION

1. COMMERCE DEPARTMENT REVIEW OF CONFIDENTIAL EXPORT
ADMINISTRATION REPORTS, SUBMITTED BY U.S. FIRMS WHICH HAVE
RECEIVED BOYCOTT REQUESTS, HAS PRODUCED FIVE INSTANCES IN
WHICH FIRMS WERE REQUESTED TO DECLARE NON-JEWISHNESS OF
EMPLOYEES OR OWNERS OF THE FIRM SEEKING TO TRANSACT BUSINESS
IN SAUDI ARABIA.

2. FOUR OF THESE REPORTS INVOLVE VARIOUS TYPES OF LEGAL
FORMS ISSUED BY SAUDI ATTORNEY, SAUD M.A. SHAWWAF (E.G.,
POWER OF ATTORNEY, AGENT IN CONNECTION WITH TRADE MARKS
OR PATENTS) DATING AS EARLY AS JUNE 1971 AND AS RECENTLY
AS MARCH 1975. NAMES OF U.S. FIRMS WHICH HAVE FILED
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THESE REPORTS AS REQUIRED UNDER EXPORT ADMINISTRATION ACT

OF 1969 ARE NOT IDENTIFIABLE BECAUSE OF CONFIDENTIALITY
OF REPORTS UNDER PROVISIONS OF THAT ACT.

3. AS EMB IS AWARE, THROUGH EXCHANGE OF LETTERS BETWEEN
NEA/ARP DIRECTOR FRANCOIS DICKMAN AND SHAWWAF, WE HAVE
BEEN GIVEN ASSURANCES AS OF OCTOBER 14, 1975 THAT FORM CON-
TAINING DISCRIMINATORY LANGUAGE IS "OUTDATED AND OBSOLETE

FORM THAT IS NO LONGER USED BY OUR (SHAWWAF'S) OFFICES FOR
AMERICAN COMPANIES." EMB REQUESTED CONFIRM THAT OLD FORMS
NO LONGER IN USE BY SHAWWAF'S AFFILIATED OFFICE IN SAUDI
ARABIA (GHADRAN BUILDING NO. 2, PRINCE KHALED STREET, AL-
KHOBAR).

4. FIFTH CASE INVOLVES FOLLOWING PROVISION IN THIRD
ARTICLE OF OCTOBER INVITATION FOR BIDS BY MINISTRY OF
DEFENSE AND AVIATION FOR GAS TURBINE POWER PLANT AND
DISTRIBUTION EQUIPMENT AT EL KHARJ: QTE FOR EXECUTING
THIS CONTRACT HE (THE CONTRACTOR) SHALL EMPLOY ONLY SUCH
PERSONNEL AS ARE NATIONALS OF HIS COUNTRY AND ARE NOT
JEWS UNQTE.

5. GENERAL ELECTRIC COMPANY WHICH, TO OUR KNOWLEDGE
WAS ONLY U.S. RECIPIENT OF INVITATION, HAS WAIVED
CONFIDENTIALITY UNDER EXPORT ADMINISTRATION ACT OF 1969
TO PERMIT EMB TO IDENTIFY DOCUMENT TO MODA. GE DID SUB-
MIT BID ON FIRM PRICE BASIS BUT IN ACCORDANCE WITH
COMPANY POLICY AND U.S. EXPORT REGULATIONS, DID NOT
AGREE TO ABOVE PROVISION. IN DEMARCHE TO SAG,

REQUEST EMB AVOID SPECIFIC REFERENCE TO GE UNLESS ESSEN-
TIAL TO PRESENTATION.

6. GIVEN NUMEROUS PUBLIC AND PRIVATE ASSURANCES BY
SENIOR SAUDI OFFICIALS THAT IT IS NOT SAUDI POLICY TO
DISCRIMINATE ON BASIS OF RELIGION, WE ASSUME THAT ABOVE
EXCERPTED DISCRIMINATORY LANGUAGE FROM THE GAS TURBINE
POWER PLANT REQUEST FOR QUOTATION IS NOT SANCTIONED BY
SAG AND IS IN FACT CONTRARY TO SAUDI POLICY.

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7. ACCORDINGLY AND IN KEEPING WITH U.S. POLICY OPPOSING
DISCRIMINATION, EMB REQUESTED TO MAKE APPROPRIATE REPRE-
SENTATIONS IN ORDER TO CONFIRM OUR UNDERSTANDING OF
SAUDI POLICY, SEEK AN END TO REQUEST THAT U.S. FIRMS
DISCRIMINATE AGAINST JEWS IN INSTANCE OF TURBINE OR OTHER
REQUESTS FOR QUOTATION AND ASSURE THAT DISCRIMINATORY
REQUESTS DO NOT RECUR THROUGH OVERSIGHT IN OTHER CASES.
ABSENCE OF SUCH DISCRIMINATORY LANGUAGE IN ALL OTHER

BOYCOTT REQUESTS REPORTED TO COMMERCE DEPARTMENT OVER
MORE THAN SIX PAST YEARS TENDS TO CONFIRM OUR BELIEF THAT

SUCH LANGUAGE IS NEITHER REQUIRED NOR INTENDED AS MATTER
OF SAUDI POLICY.

7. DETAILED REPORTING REQUESTED ON SAG RESPONSE. KISSINGER

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE DISCRIMINATION, RACIAL DISCRIMINATION, JEWS, BOYCOTTS
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Copy: SINGLE
Draft Date: 09 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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Errors: N/A
Film Number: D760135-0452
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Margaret P. Grafeld
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04 MAY 2006

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TAGS: ETRD, PFOR, SA, IS
To: JIDDA
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